

ORIGINAL

NEW APPLICATION



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BEFORE THE ARIZONA CORPORATION COMMISSION

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Arizona Corporation Commission

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In the matter of:

Premier Asset Management Group LLC, a
Delaware limited liability company,

Michael Berry Eckerman, and Tonya
Eckerman, husband and wife,

Respondents.

DOCKET NO. S-20996A-16-0467

**TEMPORARY ORDER TO CEASE AND
DESIST AND NOTICE OF
OPPORTUNITY FOR HEARING**

NOTICE: THIS ORDER IS EFFECTIVE IMMEDIATELY

EACH RESPONDENT HAS 20 DAYS TO REQUEST A HEARING

EACH RESPONDENT HAS 30 DAYS TO FILE AN ANSWER

The Securities Division ("Division") of the Arizona Corporation Commission ("Commission") alleges that respondents Premier Asset Management Group LLC and Michael Berry Eckerman are engaging in or are about to engage in acts and practices that constitute violations of A.R.S. § 44-1801, *et seq.*, the Arizona Securities Act ("Securities Act"), and that the public welfare requires immediate action.

I.

JURISDICTION

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

II.**RESPONDENTS**

2. Premier Asset Management Group LLC ("PAMG") is a limited liability company organized under the laws of the state of Delaware in March 2015. PAMG has not been registered by the Commission as a securities salesman or dealer, and none of PAMG's securities have been registered by the Commission. PAMG has not been registered by the Commission as a foreign limited liability company.

3. Michael Berry Eckerman ("Eckerman") has been a married man since at least March 2015 and a resident of the state of Arizona since at least August 2015. Eckerman has not been registered by the Commission as a securities salesman or dealer.

4. Tonya Eckerman ("Respondent Spouse") has been at all relevant times the spouse of Respondent Eckerman. Respondent Spouse is joined in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of the marital community.

5. At all relevant times, Eckerman has been acting for his own benefit and for the benefit or in furtherance of the marital community.

6. PAMG and Eckerman may be referred to collectively as "Respondents."

III.**FACTS**

7. PAMG purports to be a real estate management company that acquires real estate, improves the real estate as needed, and then rents or sells the real estate. PAMG also purports to specialize in Arizona and California real estate, and PAMG's website offers three properties for lease or sale, all located in Arizona.

8. Eckerman is in charge of PAMG and is an actively involved manager.

9. PAMG states on its website that it acquires properties in "stabilized high-growth areas that we believe have significant appreciation potential." It also states that, "properties are pooled and operated over a long-term horizon for significant appreciation on property values, while also

1 collecting sustainable income from rental dues." It also states that, "Our combined experience in real
2 estate transacting, investing, and marketing gives us the edge we need for success."

3 10. Since approximately April 2, 2015, PAMG has been funding its activities by raising
4 money from investors. Investors receive a promissory note and an investment contract in the form of
5 a loan agreement. PAMG's notes promise between 7-10% annual interest.

6 11. PAMG's investment raising efforts specifically target retired senior citizen Arizona
7 residents aged 65 or older who own an unencumbered primary residence. One of the reasons PAMG
8 targets senior citizens is that they are less likely to have internet access and therefore less likely to
9 research Eckerman's background online.

10 12. PAMG purchases lead lists for these potential investors. PAMG employs two
11 telemarketers who cold call potential investors using a script prepared by Eckerman. The
12 telemarketers' job is to schedule appointments for PAMG's salesmen to visit potential investors in
13 their homes. PAMG also creates brochures and flyers that its salesman use to persuade investors.
14 Eckerman approves these materials before they are used. PAMG tells investors that it will use their
15 funds to purchase homes and lease or re-sell them for a profit. Most PAMG investors invest \$25,000
16 or more.

17 13. PAMG sometimes asks its investors to make additional investments, and this practice
18 is known within PAMG as "reloading." Eckerman personally solicits some of the additional
19 investments. Before asking a current investor to invest more, PAMG typically waits for the investor
20 to receive several interest payments for their initial investment to increase the investor's confidence
21 in PAMG.

22 14. PAMG has raised money from at least 41 investors. On information and belief,
23 PAMG has raised over \$1,000,000 from these investors.

24 15. In August 2003, the Arizona Attorney General filed a complaint against Eckerman in
25 the Superior Court of Maricopa County alleging that Eckerman was engaging in deceptive acts and
26 practices, fraud, false pretenses, false promises, misrepresentation, and concealment, suppression, or

1 omission of material facts in violation of the Arizona Consumer Fraud Act. These violations were
2 alleged to have been made in connection of his purchase of real estate for investment purposes. The
3 complaint alleged that Eckerman purchased homes from owners facing foreclosure and rented the
4 homes back to the former owners with an option to repurchase, but if the former owners defaulted
5 Eckerman denied them legal rights they were entitled to. Eckerman consented to a judgment
6 enjoining him from offering homeowners an option to repurchase their homes.

7 **IV.**

8 **VIOLATION OF A.R.S. § 44-1841**

9 **(Offer and Sale of Unregistered Securities)**

10 16. From on or about April 2, 2015, Respondents have been offering or selling securities
11 in the form of notes and investment contracts, within or from Arizona.

12 17. The securities referred to above are not registered pursuant to Articles 6 or 7 of the
13 Securities Act.

14 18. This conduct violates A.R.S. § 44-1841.

15 **V.**

16 **VIOLATION OF A.R.S. § 44-1842**

17 **(Transactions by Unregistered Dealers or Salesmen)**

18 19. Respondents are offering or selling securities within or from Arizona while not
19 registered as dealers or salesmen pursuant to Article 9 of the Securities Act.

20 20. This conduct violates A.R.S. § 44-1842.

21 **VI.**

22 **TEMPORARY ORDER**

23 **Cease and Desist from Violating the Securities Act**

24 THEREFORE, based on the above allegations, and because the Commission has determined
25 that the public welfare requires immediate action,
26

1 IT IS ORDERED, pursuant to A.R.S. § 44-1972(C) and A.A.C. R14-4-307, that Respondents,
2 their agents, servants, employees, successors, assigns, and those persons in active concert or
3 participation with Respondents CEASE AND DESIST from any violations of the Securities Act.

4 IT IS FURTHER ORDERED that this Temporary Order to Cease and Desist shall remain in
5 effect for 180 days unless sooner vacated, modified, or made permanent by the Commission.

6 IT IS FURTHER ORDERED that if a request for hearing is made, this Temporary Order shall
7 remain effective from the date a hearing is requested until a decision is entered unless otherwise
8 ordered by the Commission.

9 IT IS FURTHER ORDERED that this Order shall be effective immediately.

10 **VII.**

11 **REQUESTED RELIEF**

12 The Division requests that the Commission grant the following relief:

- 13 1. Order Respondents to permanently cease and desist from violating the Securities Act,
14 pursuant to A.R.S. § 44-2032;
 - 15 2. Order Respondents to take affirmative action to correct the conditions resulting from
16 Respondents' acts, practices, or transactions, including a requirement to make restitution pursuant to
17 A.R.S. § 44-2032;
 - 18 3. Order Respondents to pay the state of Arizona administrative penalties of up to five
19 thousand dollars (\$5,000) for each violation of the Securities Act, pursuant to A.R.S. § 44-2036;
 - 20 4. Order that the marital community of Respondent Eckerman and Respondent Spouse
21 is subject to any order of restitution, rescission, administrative penalties, or other appropriate
22 affirmative action pursuant to A.R.S. § 25-215; and
 - 23 5. Order any other relief that the Commission deems appropriate.
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25
26

VIII.

HEARING OPPORTUNITY

Each Respondent, including Respondent Spouse, may request a hearing pursuant to A.R.S. § 44-1972 and A.A.C. Rule 14-4-307. **If a Respondent or Respondent Spouse requests a hearing, the requesting respondent must also answer this Temporary Order and Notice.** A request for hearing must be in writing and received by the Commission within 20 days after service of this Temporary Order and Notice. The requesting respondent must deliver or mail the request for hearing to Docket Control, Arizona Corporation Commission, 1200 West Washington, Phoenix, Arizona 85007. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.azcc.gov/divisions/hearings/docket.asp.

If a request for hearing is timely made, the Commission shall schedule a hearing to begin 10 to 30 days from the receipt of the request unless otherwise provided by law, stipulated by the parties, or ordered by the Commission. **Unless otherwise ordered by the Commission, this Temporary Order shall remain effective from the date a hearing is requested until a decision is entered.** After a hearing, the Commission may vacate, modify, or make permanent this Temporary Order, with written findings of fact and conclusions of law. A permanent Order may include ordering restitution, assessing administrative penalties, or other action.

If a request for hearing is not timely made, the Division will request that the Commission make permanent this Temporary Order, with written findings of fact and conclusions of law, which may include ordering restitution, assessing administrative penalties, or other relief.

Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Shaylin A. Bernal, ADA Coordinator, voice phone number (602) 542-3931, e-mail sabernal@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.

IX.

ANSWER REQUIREMENT

Pursuant to A.A.C. R14-4-305, if a Respondent or Respondent Spouse requests a hearing, the requesting respondent must deliver or mail an Answer to this Temporary Order and Notice to Docket Control, Arizona Corporation Commission, 1200 W. Washington, Phoenix, Arizona 85007, within 30 calendar days after the date of service of this Temporary Order and Notice. Filing instructions may be obtained from Docket Control by calling (602) 542-3477 or on the Commission's Internet web site at www.azcc.gov/divisions/hearings/docket.asp.

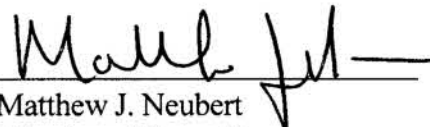
Additionally, the answering respondent must serve the Answer upon the Division. Pursuant to A.A.C. R14-4-303, service upon the Division may be made by mailing or by hand-delivering a copy of the Answer to the Division at 1300 West Washington, 3rd Floor, Phoenix, Arizona, 85007, addressed to Paul Kitchin.

The Answer shall contain an admission or denial of each allegation in this Temporary Order and Notice and the original signature of the answering respondent or the respondent's attorney. A statement of a lack of sufficient knowledge or information shall be considered a denial of an allegation. An allegation not denied shall be considered admitted.

When the answering respondent intends in good faith to deny only a part or a qualification of an allegation, the respondent shall specify that part or qualification of the allegation and shall admit the remainder. Respondent waives any affirmative defense not raised in the Answer.

The officer presiding over the hearing may grant relief from the requirement to file an Answer for good cause shown.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION, this 12 day of December, 2016.


Matthew J. Neubert
Director of Securities